

701—63.4(452A) Audit—costs. The department shall have the right and duty to examine or cause to be examined the books, records, memoranda or documents of a taxpayer for the purpose of verifying the correctness of a return filed or determining the tax liability of any taxpayer.

The costs incurred in examining the records of a taxpayer shall be at the taxpayer's expense in the following situations:

a. When the records of a distributor, required to be licensed under Iowa Code section 452A.4 (motor fuel) or licensed under Iowa Code section 452A.36 (special fuel), are kept at an out-of-state location.

b. Special fuel dealers and users when records are kept out of state. (See rule 701—65.19(452A).) Cost shall include meals, lodging and travel expenses, but shall not include salaries of department personnel. (See 1976 O.A.G. 611.)

This rule is intended to implement Iowa Code sections 452A.10, 452A.36, 452A.37, 452A.55, 452A.62 and 452A.69.